

Message Text

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PAGE 01 GENEVA 07836 221132Z

ACTION STRE-00

INFO OCT-01 IO-14 ISO-00 STR-07 AGRE-00 CEA-01 CIAE-00

COME-00 DODE-00 EB-08 FRB-01 H-02 INR-10 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-02 CTME-00 AID-05

SS-15 ITC-01 TRSE-00 ICA-20 SP-02 SOE-02 OMB-01

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SUBJECT: REPORT ON VISIT OF LABOR ADVISORS CHAIKIN AND

TEPER TO MTN MAY 17-18, 1978

1. SUMMARY. SOL CHICK CHAIKIN AND LAZARE TEPER (ILGWU), WOMEN'S CLOTHING UNION LABOR ADVISORS, HAD CONSTRUCTIVE AND INFORMATIVE VISIT TO MTN DELEGATION MAY 17 AND 18. CHAIKIN MET WITH AMBASSADOR AND PRINCIPAL STAFF MEMBERS AND TEPER PROVIDED LARGE VOLUME OF DETAILED MATERIAL TO TARIFF NEGOTIATORS. CHAIKIN EMPHASIZED ILGWU'S INTEREST IN MAINTAINING TARIFF LEVELS DESPITE EXISTENCE OF MFA BILATERALS, AND EXPRESSED CONCERN OVER LONG TERM PROSPECTS FOR HIS INDUSTRY AND ENTIRE U.S. ECONOMY AS A RESULT OF INCREASING IMPORTANCE OF WORLD TRADE. CHAIKIN ACKNOWLEDGED THAT THE VISIT ASSUAGED HIS FEARS SOMEWHAT AND THAT USMTN "NOT GIVING AWAY THE ENTIRE STORE." END SUMMARY.

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PAGE 02 GENEVA 07836 221132Z

2. MAY 17 AND 18, SOL CHICK CHAIKIN, PRESIDENT OF THE INTERNATIONAL LADIES' GARMENT WORKERS' UNION (ILGWU) AND MEMBER OF LPAC AND LSAC VISITED DELEGATION WITH DR. LAZARE TEPER, DIRECTOR OF RESEARCH, ILGWU, MEMBER OF LSAC AND FREQUENT ADVISOR TO MFA TEXTILE NEGOTIATIONS. CHAIKIN VISIT ON LADIES' GARMENT INDUSTRY FOLLOWS AND PARALLELS

PREVIOUS MONTH VISIT BY FINLEY ACTWU.

3. CHAIKIN AND TEPER REPRESENT THAT PART OF THE GARMENT INDUSTRY THAT HAS HIGHEST IMPORT PENETRATION RATIOS AND MOST SERIOUS PROBLEMS WITH IMPORT COMPETITION. MTN DEL ABLE TO ALLAY SOME OF LABOR ADVISORS' FEARS AND GIVE INFORMATION IN SPECIFIC AREAS. ILGWU CONTINUES TO OPPOSE ANY TARIFF CUTS ON THEIR PRODUCTS AND EXPRESSED DOUBTS ABOUT THE ABILITY OF CODES TO DEAL WITH UNFAIR TRADE PRACTICES. CHAIKIN NOTED SECULAR DECLINE IN APPAREL EMPLOYMENT AND EXPRESSED DOUBTS ABOUT STRUCTURE OF U.S. ECONOMY AND ITS ABILITY TO PROVIDE JOBS FOR HIS WORKERS. HIS INTEREST IN MTN THEREFORE CONCERNED OVERALL IMPACT ON U.S. MANUFACTURING SECTOR, NOT JUST APPAREL INDUSTRY. IN ADDITION, HE EXPECTS WORLD TRADE POLICY TO TURN INCREASINGLY TO SERIES OF PRODUCT AGREEMENTS THAT WOULD MANAGE TRADE.

4. DISCUSSIONS WITH MTN STAFF MEMBERS PROVIDED WIDE RANGING DISCUSSIONS BETWEEN THE LABOR ADVISORS AND A GROUP OF DELEGATION MEMBERS WITH INTEREST OR EXPERIENCE IN TEXTILE/APPAREL TRADE. DR. TEPER EXPRESSED HIS PROBLEMS WITH LACK OF DATA ON WHICH DECISIONS WERE MADE AND PROBLEMS OF INTERPRETATION OF DATA. CHAIKIN DESCRIBED STRUCTURE OF THE INDUSTRY (ATOMISTIC - AVERAGE FIRM SIZE, 50 EMPLOYEES), AND STRUCTURE OF THE MARKET
UNCLASSIFIED

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PAGE 03 GENEVA 07836 221132Z

(HIGHLY VOLATILE, FASHION-DICTATED) WITH A NUMBER OF RESULTS: UNION IS STRONG COHESIVE FORCE, FIRMS ARE VERY MOBILE, COMPETITION IS FIERCE, AND IMPORTS ARE ABLE TO RESPOND QUICKLY TO MARKET CHANGES. CHAIKIN EXPRESSED A NEW CONCERN ABOUT IMPORTS FROM ITALY AND FRANCE IN HIGHER FASHION ITEMS AND LACK OF BILATERALS TO PROTECT IN THIS AREA.

5. TALKS WITH MCNAMARA AND TARIFF NEGOTIATORS WERE USEFUL EXCHANGE OF DATA. LABOR ADVISORS PROVIDED LARGE VOLUME OF TECHNICAL INFORMATION, UPDATE OF DATA SUBMITTED FOR EXCEPTIONS, AND PRIORITY LISTS FOR WITHDRAWALS OF OFFERS OR MAINTENANCE OF EXCEPTIONS. LABOR ADVISORS STRESSED THAT THE QUICK CHANGES OF FASHION IN THE INDUSTRY MEANT THAT TSUSA NUMBERS WITH NO TRADE COULD BECOME IMPORTANT CLASSES VERY QUICKLY. THEREFORE, TSUSA LINE ITEMS SHOULD BE TREATED IN PRODUCT GROUPS WITHOUT SINGLING OUT PARTICULAR LINE ITEMS FOR TARIFF REDUCTIONS JUST BECAUSE TRADE WAS UNIMPORTANT OVER SEVERAL YEARS.

6. MTN DEL ABLE TO FACILITATE PRIVATE MEETING BETWEEN SENATOR JACK HEINZ (R-PA.) AND MR. CHAIKIN.

7. CHAIKIN AND TEPER EXPRESSED APPRECIATION FOR CHANCE TO MAKE THEIR CASE TO THE DELEGATION AND FOR THE HONEST ENDEAVORS OF THE NEGOTIATORS TO CONSIDER THE INTERESTS AND PROBLEMS OF DOMESTIC INDUSTRY.

8. AMBASSADOR AND CHAIKIN AND TEPER HAD PRIVATE MEETING TO WRAP-UP VISIT. DRAFTED BY HEISE/WHITE. MCDONALD

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